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State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

August 10, 2004

Dennis Engh  
Utah Clay Technology, Incorporated  
3985 South 2000 East  
Salt Lake City, Utah 84124

Subject: **Second Notice - Delinquent Permit Fees, Further Mining is  
Suspended - Enforcement Rules in Effect, Minerals Regulatory  
Program**

Dear Mr. Engh:

*Our records indicate that we have not received your annual permit fee payment(s) for the 2004 fiscal year, which was due on or before July 30, 2004 (see R647-2-101.6, R647-3-1-1.7, and R647-4-101.5). Non-payment of permit fees suspends an operator's authorization to conduct exploration or mining operations until the permit fees have been received by this office. **THEREFORE, YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS HEREBY SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED.** Please note that the payment of permit fees is required until the site has been formally released by the division.*

You have previously been informed that effective June 1, 2004, Inspection and Enforcement Rules were implemented in the Minerals Regulatory Program, per a 2002 Legislative mandate. Before fully enforcing the rule for non payment of permit fees at this time, the Division will allow you until August 31, 2004 to pay the delinquent permit fees. **If the delinquent permit fees are not received before August 31, 2004, the Enforcement Rules will be imposed and you will be issued a Notice of Violation and a fine could be assessed.** If you are found mining at your site before the fee is paid, another Notice of Violation would be issued and a fine will be imposed. Please be advised that fines are assessed for each separate violation.

We have enclosed a "Delinquency Notice" along with this letter. Please return the bottom portion with your fee payment to ensure the money is posted to

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Page 2 of 2  
Second Notice  
2004-2005 Permit Fees  
August 10, 2004

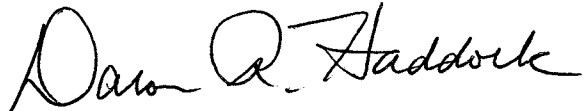
the correct account. Operations may resume upon our receipt of the required fees.

*If you have already sent in your payment, please accept our thanks and disregard this notice.*

We hope to avoid taking any enforcement action regarding the fee payments. Please: 1) submit your payment by August 31, 2004; 2) check the box, **if the site is fully reclaimed and revegetated**; thereby requesting a site inspection; or 3) contact us immediately.

If you have any questions regarding this letter, please contact me at (801) 538-5325 or Joelle Burns at 538-5291. Your immediate attention to this matter is imperative.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly distinguishable.

Daron R. Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH:jb  
Enclosure: Delinquency Notice  
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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Olene S. Walker  
Governor  
Robert L. Morgan  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

UTAH CLAY TECHNOLOGY INC  
3985 S 2000 E  
SALT LAKE CITY UT 84124

ATTENTION: DENNIS ENGH

## DELINQUENCY NOTICE

Annual Permit Fees (July 2004 thru June 2005)

<b>PROJECT NAME</b>	<b>PROJECT ID</b>	<b>ACRES</b>	<b>BILLING DATE</b>
WHITE MOUNTAIN	S010052	NA	06/29/2004
<b>PERMIT TYPE</b>	<b>PROJECT STATUS</b>	<b>ANNUAL FEE</b>	
SMALL MINING OPERATION < 5 ACRES	RECLAIMED	\$ 300	

<b>DUE DATE</b>	<b>AMOUNT DUE</b>
07/30/2004	\$ 300

**Please see enclosed instructions for payment.**

*Please retain this portion for your records. For billing information call (801) 538-5291*

*This portion MUST be returned with your payment to ensure proper credit. THANK YOU*

<b>ACCOUNT BILLED</b>		<b>PROJECT NAME</b>		<b>PROJECT ID</b>
UTAH CLAY TECHNOLOGY INC		WHITE MOUNTAIN		S010052
<b>DUE DATE</b>	<b>ANNUAL FEE</b>	<b>AMOUNT DUE</b>	<input type="checkbox"/> <b>FEE NOT ENCLOSED</b> Permittee requests an inspection to close out this permit.	
07/30/2004	\$ 300	\$ 300		
<b>TAX ID OR SOCIAL SECURITY #</b>			<b>Change of Address</b> Contact _____ Address _____ E-mail address _____ State _____ Zip _____ Phone _____	

DIVISION OF OIL GAS AND MINING  
1594 WEST NORTH TEMPLE SUITE 1210  
PO BOX 145801  
SALT LAKE CITY UT 84114-5801

*Please make check payable to:*  
**Division of Oil, Gas and Mining**